



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1207

FISCAL NOTE

Drafting Number: LLS 20-0510
Prime Sponsors: Rep. Melton; Wilson

Date: February 10, 2020
Bill Status: House Trans. & Local Govt.
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Bill Topic: **SUNSET REGULATION OF PRIVATE INVESTIGATORS**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

Sunset bill. HB 20-1207 continues the regulation of private investigators in the Department of Regulatory Agencies, which is scheduled to repeal on September 1, 2020. State fiscal impacts under the bill include only the continuation of the program's current revenue and expenditures. The program is continued through September 1, 2025.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB-1207*

New Impacts		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures		-	-
TABOR Refund	General Fund	-	-
Continuing Program Impacts		FY 2020-21	FY 2021-22
Revenue	Cash Funds	-	\$50,000
Expenditures	Cash Funds	-	\$75,000
	FTE	-	0.6 FTE
TABOR Refund	General Fund	-	-

* Table 1 shows the new impacts resulting from changes to the program under the bill, and the continuing impacts from extending the program beyond its current repeal date. Because the bill continues a program without making any changes, there are no new impacts. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

The bill continues the regulation of private investigators for five years, until September 1, 2025.

Background

Private investigators have been regulated by the Department of Regulatory Agencies since 2011. To obtain a private investigator's license, a person of at least 21 years of age must submit an application, pass a background check, pass a jurisprudence exam, post a surety bond, and pay a fee. Private investigators can obtain a Level I or a Level II license. A Level II license follows the same requirements as a Level I license, plus 4,000 hours of applicable experience. In FY 2017-18, there were 885 licensed private investigators, 370 with Level I licenses and 515 with Level II licenses.

Revenue from application and exam fees are set by the department to cover operating expenses. As the number of applicants changes from year to year, the department occasionally revises fees to maintain a long-term balance of revenue and expenditures. Recently, the application fee was decreased from \$330 per year to \$83 for an original application and \$30 for a renewal application.

Continuing Program Impacts

Based on the department's FY 2018-19 budget, the Department of Regulatory Agencies is expected to have revenue of \$50,000 and expenditures of \$75,000 to administer the regulation of private investigators. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2021-22. This continuing revenue is subject to the state TABOR limits. If this bill is not enacted, the program will end on September 1, 2020, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2021-22 by the amounts shown in Table 1. The fiscal note does not identify any change to TABOR refunds because the revenue is already accounted for in the LCS revenue forecast.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties	Judicial	Law
Public Safety	Regulatory Agencies	